

**IN THE UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF TEXAS  
HOUSTON DIVISION**

<b>IN RE:</b>	§	
	§	
<b>CAPCO ENERGY, INC.</b>	§	<b>CASE NO. 08-32282</b>
<b>CAPCO ASSET MANAGEMENT, INC.</b>	§	<b>CASE NO. 08-32283</b>
<b>CAPCO OPERATING CORPORATION</b>	§	<b>CASE NO. 08-32284</b>
<b>AMCO ENERGY, INC.</b>	§	<b>CASE NO. 08-32285</b>
<b>CAPCO OFFSHORE OF TEXAS, INC.</b>	§	<b>CASE NO. 08-32286</b>
<b>PACKARD GAS COMPANY</b>	§	<b>CASE NO. 08-32288</b>
<b>SOLANO WELL SERVICES, LLC</b>	§	<b>CASE NO. 08-32289</b>
	§	<b>(JOINTLY ADMINISTERED</b>
<b>Debtors</b>	§	<b>UNDER CASE NO. 08-32282)</b>

**FEE APPLICATION SUMMARY**

- I. CLIENT: Capco Energy, Inc., et al, Debtors and Debtors-in-Possession
- II. REQUESTING APPLICANT/FIRM: Craig H. Cavalier, Attorney at Law, attorney for the Debtors
- III. TOTAL AMOUNT OF FEES REQUESTED:
- a. Fees: \$165,124.00 of which \$24,271.80 has been incurred but withheld
  - b. Expenses: \$2,239.19 of which 100.12 has been incurred but withheld
  - c. Pre-petition retainer, if any: \$ 75,000.00
  - d. Time period covered: April 7 through July 31, 2008.
- IV. BREAKOUT OF CURRENT APPLICATION:

NAME/CAPACITY	TOTAL HOURS	RATE	TOTAL
Cavalier, Craig	367.75	\$350.00	\$ 128,712.50
Jameson, Attorney	72.77	\$325.00	\$ 23,650.25
Simon, Paralegal	170.15	\$ 75.00	\$ 12,761.25
	-----		-----
TOTALS:	610.67		\$ 165,124.00

MINIMUM FEE INCREMENTS: Fee increments are billed at 0.10 for professional services.

EXPENSES: Total Expense Request: \$ 2,239.19  
 Delivery Charges & Postage: At Cost  
 Photocopies: \$0.20 per copy

AMOUNT ALLOCATED FOR PREPARATION OF THIS FEE APPLICATION: \$ 1,100.00

V. PRIOR APPLICATIONS:

<u>Date of Hearing</u>	<u>Amount Requested</u>	<u>Amount Authorized</u>
N/A	N/A	N/A

VI. OTHER CO-EQUAL OR ADMINISTRATIVE CLAIMANTS IN THIS CASE:

<u>Name</u>	<u>Party Represented</u>
N/A	

VII. RESULT OBTAINED:

a. Cash Collateral. This category involves telephone and in person meetings with Debtors and other counsel concerning Cash Collateral; Preparation of Cash Collateral Motion; Attendance at hearing on same; Numerous drafts of Interim and Final Cash Collateral Order and other related Cash Collateral matters. FEE ESTIMATE: \$13,073.25

b. Tana Sale. This category involves various meetings/phone conferences with Debtors and other counsel related to Tana Sale and broker contracts; preparation of related motions (including Motion to Engage Marketing Agent and proposed Sale Motion and drafts) and attendance at related hearings. FEE ESTIMATE: \$ 46,516.50

c. Non-Tana Sale. This category involves various meetings/phone conferences with Debtors and other counsel related to the Non-Tana Sale and broker contracts; preparation of related motions (including Motion to Engage Marketing Agent and proposed Sale Motion and drafts) and attendance at related hearings. FEE ESTIMATE: \$10,784.00

d. Operations. This category involves numerous in person and telephone conferences with Debtors concerning miscellaneous operational matters, including financial and miscellaneous litigation matters and preparation of budget. FEE ESTIMATE: \$ 8,911.25

e. Litigation: Non-Tana. This category involves various meetings/phone conferences with Debtors and other counsel related to Non-Tana state court and AP litigation; preparation of related motions (including Motion to Compromise (TRRC)) and attendance at related hearings. FEE ESTIMATE: \$ 23,835.25

f. Litigation: Tana. This category involves various meetings/phone conferences with Debtors and other counsel related to Tana-related litigation; preparation of related pleadings (including Answer to Complaint and Notice of Removal-Hoactzin litigation and First Day Motions) and attendance at related hearings. FEE ESTIMATE: \$ 24,250.00

g. Schedules/Administration. This category involves various meetings/phone conferences with Debtors and other counsel related to Schedules, Statements of Financial Affairs, proofs of claim and other administrative matters; preparation, drafts and amendments and filing of Schedules and Statements of Financial Affairs; preparation and filing of Suggestions of Bankruptcy; First Day Motions; monthly operating reports; Applications to Employ; preparation of timesheets and other miscellaneous matters related to administration of the Debtors' Chapter 11 cases; Attendance at related hearings, 341 meeting and initial debtor conference; preparation and filing of notices of hearings. FEE ESTIMATE: \$ 28,837.00

h. Interface with Creditors Committee. This category involves numerous meetings/teleconferences with counsel for and members of the Unsecured Creditors Committee. FEE ESTIMATE: \$ 1,225.00

i. Plan. This category involves various meetings/phone conferences with Debtors and other counsel related to the Plan and Disclosure Statement; preparation (including extensive legal research) and numerous revisions and amendments to Plan and Disclosure Statement and related pleadings; attendance at hearings on same; service of same. FEE ESTIMATE: \$ 7,691.75

III. Debtors' lead counsel, Craig H. Cavalier, has been practicing law in the State of Texas since 1983 and since that time has had extensive experience in Chapter 11 bankruptcy cases, primarily in the Southern District of Texas, Houston Division. The fees charged by Debtors' counsel, as set forth in the engagement letter on file with the Court, are consistent with, and/or are considerably lower than, that which is customary for cases such as this.

DATED: August 26, 2008

Respectfully submitted,

**CRAIG H. CAVALIER, ATTORNEY AT LAW**

By: /s/ Craig H. Cavalier  
CRAIG H. CAVALIER  
State Bar No. 04022075  
3355 West Alabama St., Ste. 1160  
Houston, TX 77098  
(713) 621-4720 - Telephone  
(713) 621-4779 - Facsimile  
***Counsel for Debtors-in-Possession***

**CERTIFICATE OF SERVICE**

This will certify that a true and correct copy of the foregoing instrument has been forwarded to the following parties listed below, via first class mail, postage prepaid, electronic notice or facsimile this 26<sup>th</sup> day of August, 2008:

*See Attached Service List*

/s/ Craig H. Cavalier  
CRAIG H. CAVALIER